



DONALD L. WOLFE, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

September 7, 2006

IN REPLY PLEASE

REFER TO FILE: **PJ-2**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
AWARD SUPPLEMENTAL AGREEMENT 4
SMITH-EMERY COMPANY
AGREEMENT PW-12668; C.P. 70787
SUPERVISORIAL DISTRICT 1
3 VOTES**

JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR BOARD:

Award and authorize the Director of Public Works to execute Supplemental Agreement 4 to Consultant Services Agreement PW-12668 with Smith-Emery Company to provide supplemental materials testing and special inspection services for a \$300,000 not-to-exceed amount.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approving the recommended action will provide sufficient funding for Smith-Emery to complete the remaining materials testing and special inspection services as required by the Office of Statewide Health Planning and Development (OSHPD), the California Building Code, and the Los Angeles County Building Code.

On February 20, 2003, your Board awarded Agreement PW-12668 to Smith-Emery for \$5,781,000 to provide materials testing and special inspection services for the project. That Contract amount was proposed by Smith-Emery to provide a work effort based on a summary level schedule of anticipated construction activities, developed by

Public Works and its consultants prior to award of the Construction Contract, and upon experience and data from similar projects.

Subsequent to the award of that Agreement, Public Works reviewed and approved the contractor's detailed construction schedule. That detailed construction schedule indicated a higher level of inspection effort that would be required for this project than was originally projected. On October 19, 2004, your Board approved Supplemental Agreement 1 to Smith-Emery for \$3,000,000. That request was made because OSHPD began imposing more rigorous interpretations of its inspection requirements than had been experienced on previous projects and Smith-Emery was required to provide additional testing not included in their base Agreement. These services included, but are not limited to, inspection services for shop and field welding and bolting, fireproofing installation, pull testing of anchors, shear connections, roofing and waterproofing, concrete batch plant, formwork, rebar placement, and concrete placement; and testing services for concrete slump and compression, rebar bend and tensile strength, fireproofing, high-strength bolts, shear connections, asphalt, as well as soil density, moisture, and compaction.

Since that time, several additional factors have increased Smith-Emery's projected costs for services beyond those originally anticipated. The project construction schedule has been extended to June 2007 for reasons beyond Smith-Emery's control. These extensions were attributed to an extended site preparation phase, an extended bid period, higher than normal rainfall, and the California wildfires experienced in 2004 that closed down the project's steel fabrication plant and delayed construction and construction related services.

In August 2006, Public Works authorized Supplemental Agreements 2 and 3 for \$75,000 each in order to maintain inspection services without interruption. Approval of this Supplemental Agreement will allow Smith-Emery to continue to provide materials testing and specialty inspection services through the completion of construction in June 2007.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility, as the construction of the LAC+USC Medical Center Replacement Project is an investment in public infrastructure.

FISCAL IMPACT/FINANCING

There is sufficient appropriation in the Fiscal Year 2006-07 Capital Projects Budget (C.P. 70787) for the award of this Supplemental Agreement. The project is funded from the combination of Federal Emergency Management Agency grant and short- and long-term borrowing. The recommended supplement will be funded through the use of the consultant and vendor project contingency monies included in the current project budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard Supplemental Agreement, in the form previously approved by County Counsel will be used. The existing Agreement with Smith-Emery includes the standard Board-directed clauses that provide for Contract termination, renegotiation, hiring qualified displaced County employees, and consideration of Greater Avenues for Independence Program/General Relief Opportunity for Work participants for future employment. Smith-Emery is in compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program), Chapter 2.203 (Contractor Employee Jury Service Program), and Safely Surrendered Baby Law.

ENVIRONMENTAL DOCUMENTATION

On June 6, 2000, your Board certified the Environmental Impact Report/Environmental Assessment for the project. Approval of this action does not result in any environmental impacts not already considered in those environmental documents.

CONTRACTING PROCESS

On March 4, 2003, your Board awarded Agreement PW-12668 to Smith-Emery for \$5,781,000 to provide materials testing and special services for the project. On October 19, 2004, your Board awarded Supplement Agreement 1 for \$3,000,000 for continued services. Supplemental Agreements 2 and 3 were issued by Public Works for a total of \$150,000 in August 2006. When added to previously issued Supplemental Agreements, Supplemental Agreement 4 increases the total value of the Contract PW-12668 to \$9,231,000, which represents a 59.7 percent total increase to the original Contract for all Supplemental Agreements.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

The Honorable Board of Supervisors
September 7, 2006
Page 4

CONCLUSION

We have reviewed this issue with the Project Advisory Committee. Please return an adopted copy of this letter to the Chief Administrative Office (Capital Projects Division) and Public Works.

Respectfully submitted,

DONALD L. WOLFE
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

RL:cb
smith -emery sa 4 bl draft 5 dw.doc

cc: County Counsel
Department of Health Services (Fred Leaf)
Project Advisory Committee (A. Redmond Doms, Jerry Epstein, Nick Patsaouras)
Department of Public Social Services (GAIN/GROW Program)